

Table 1. Tax Incentive Matrix for Urban and Rural EZs/ECs/RCs

Type of Benefit	Round I EZs	2 Round I Supplemental EZs (Los Angeles and Cleveland)	4 Round I Enhanced ECs	Round I ECs	Round II EZs	Round III EZs	40 Renewal Communities
Grants/Loan Guarantees							
\$100 million SSBG grant	X						
\$3 million SSBG grant		X ¹	X	X			
HUD EDI grant/Section 108 Loan Guarantee		X ²	X				
HUD EZ grant					X ³		
Wage Credits							
EZ Employment Wage Credit	X	X			X ⁴	X	
Renewal Community Employment Credit							X ⁴
Work Opportunity Tax Credit	X	X	X	X	X	X	X
Welfare to Work Wage Credit	X	X	X	X	X	X	X
Indian Employment Tax Credit	X	X	X	X	X	X	X
Deductions							
Increased Section 179 Deduction	X	X			X	X	X
Commercial Revitalization Deduction							X
Environmental Cleanup Cost Deduction	X	X	X	X	X	X	X
Depreciation of Property Used on Indian Reservations	X	X	X	X	X	X	X
Bond Financing							
Enterprise Zone Facility Bonds	X	X	X	X	X	X	
Qualified Zone Academy Bonds (QZABs)	X	X	X	X	X	X	X
Capital Gains							
Zero Percent Capital Gains Rate for RC Assets and DC Zone Assets							X ⁵
Nonrecognition of Gain on Sale of Empowerment Zone Assets	X	X			X	X	
Partial Exclusion of Gain on Sale of Empowerment Zone Stock	X	X			X	X	
Other Incentives							
New Markets Tax Credit	X	X	X	X	X	X	X
Low-Income Housing Tax Credits	X	X	X	X	X	X	X

1. Cleveland only.

2. Los Angeles received \$450 million; Cleveland received \$177 million.

3. Subject to annual appropriation.

4. After December 31, 2001.

5. Also applicable to District of Columbia Enterprise Zone.